

**2003-05 Biennial Budget Summary
2003 Wisconsin Act 33**

**Wisconsin Department of Transportation
Office of Policy and Budget**

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Wisconsin Department of Transportation 2003-05 Biennial Budget Summary

This document summarizes the Department of Transportation's 2003-05 biennial budget as finalized by legislative action and the Governor's vetoes to 2003 Wisconsin Act 33. The summary does not include every item in the Department's budget; rather it focuses on more significant budget and policy items.

This summary consists of four sections -- revenue initiatives, state highway programs, service divisions (the Division of Motor Vehicles, the Division of State Patrol, the Division of Business Management, and the Executive Offices), and a final section containing items that have a department-wide impact.

Revenue Initiatives

Vehicle Related Fee Modifications

The budget increases fees for automobile registration and vehicle titling. These fee increases are necessary to address significant needs in the Transportation Fund. Both fee increases are effective on October 1, 2003. The automobile registration fee will increase from \$45 to \$55 and will provide an estimated \$60.5 million for the biennium. The title transfer fee on all vehicles will increase from \$25 to \$35 and will provide an estimated \$26.3 million for the biennium. In addition, the budget extends the sunset date for the environmental impact fee to December 31, 2005. The environmental impact fee is \$9 and is collected by the Department as part of the titling fee, and is transferred to the Department of Natural Resources.

Other Items

In addition to the two fees noted above, prior acts and this budget provide certain changes that will generate additional revenue to the Department. The budget extends the sunset date of the 10% surcharge on oversize/overweight permits to June 30, 2005. The extension of the sunset date will provide approximately \$800,000 to the Transportation Fund for the biennium. The budget also provides for the transfer of approximately \$6.3 million, starting in FY 05, from the Petroleum Inspection Fund to the Transportation Fund to pay for a portion of the vehicle Inspection/Maintenance Program in Southeast Wisconsin.

2001 Wisconsin Act 16 provides for the transfer of approximately \$2.5 million from the General Fund to Transportation Fund for lost revenues associated with the Hub Airline ad valorem tax exemption. This transfer will begin in FY 05.

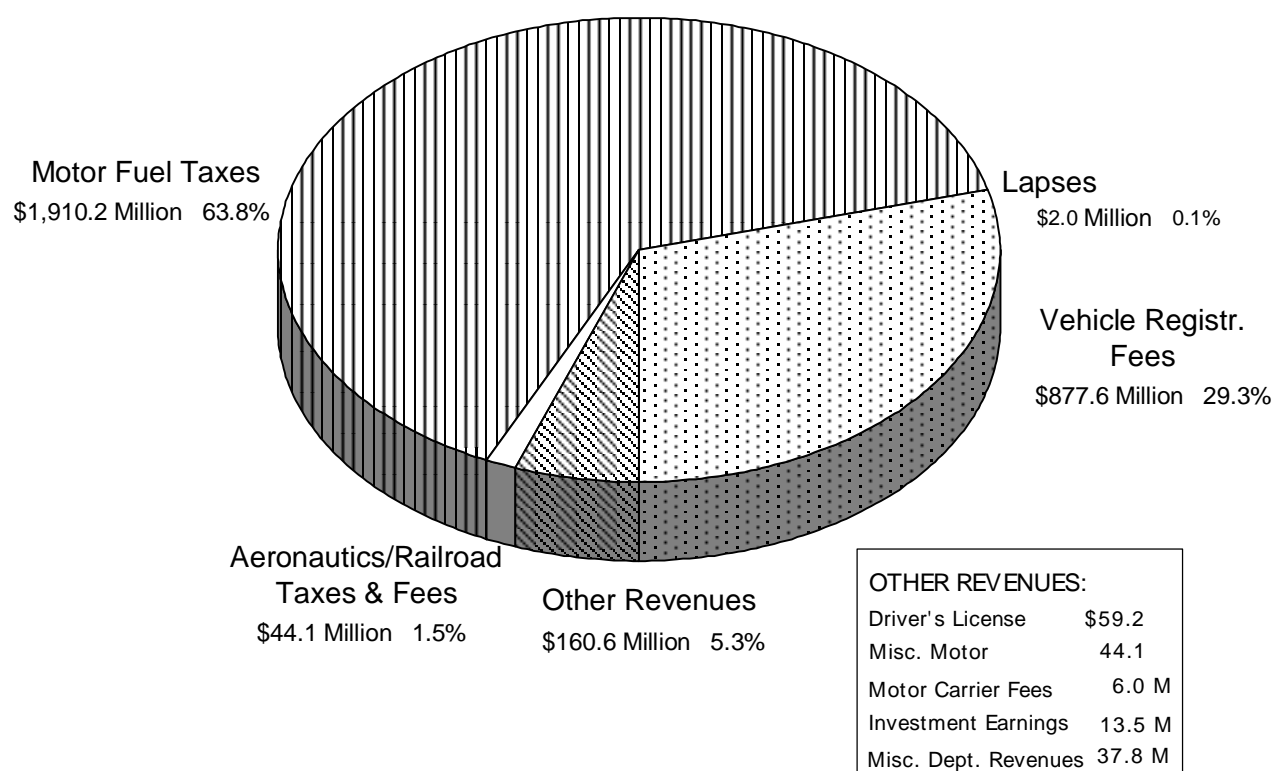
The budget expands the state revenue sources that are pledged to repay the Department's Transportation Revenue Bonds (TRB). Previously, the Department pledged automobile and truck registration fees to repay TRB debt service. The budget provides that all vehicle-related registration and titling fees are pledged for this purpose.

Due to expected growth in Transportation Fund revenues and the above noted fee and revenue increases, total state revenues are estimated at approximately \$2.995 billion for the 2003-05 biennium, as illustrated in the following chart.

2003-05 STATE TRANSPORTATION REVENUES

\$3.0 BILLION

FINAL



State Highway Programs

Southeast Freeways

2003 Wisconsin Act 33 provides funding for the reconstruction of the Marquette Interchange as well as for rehabilitation work on other segments of the Southeast Freeway system. The Marquette Interchange, the junction of I-94, I-794, and I-43, in downtown Milwaukee, is a key element of the Southeast Wisconsin Freeway system. The budget provides \$244 million for the Marquette project over the biennium. In addition, the budget provides \$17 Million over the biennium for other rehabilitation projects on the Southeast Wisconsin Freeway system.

2003 Wisconsin Act 33		
'03 Base	\$ 95,275,700	
'04 Budgeted	\$ 87,241,800	-8.4%
'05 Budgeted	\$173,741,800	82.4%

Funding for Southeast Freeways

Wisconsin Act 33 provides a decrease of \$8,033,900 (-\$40,207,900 SEG, \$16,249,800 FED, and \$15,924,200 Transportation Fund - GO Bonds) in FY 04 and an increase of \$78,466,100 (-\$20,207,900 SEG, \$33,017,800 FED, \$65,656,200 Transportation Fund - GO Bonds) in FY 05 for a decrease from base of 8.4% in FY 04 and an 82.4% increase over base in FY 05 for Southeast Freeways.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
-\$40,207,900 SEG	-\$20,207,900 SEG
\$16,249,800 FED	\$33,017,800 FED
\$ 15,924,200 Transportation Fund - GO Bonds	\$ 65,656,200 Transportation Fund - GO Bonds

Major Highway Program Base Budget

The Major Highway Program provides for the development or reconstruction of a highway within an existing transportation corridor. It provides long-term solutions to the most serious safety, design, and capacity deficiencies on heavily traveled segments of the State Trunk Highway system.

2003 Wisconsin Act 33		
'03 Base	\$241,651,000	
'04 Budgeted	\$239,700,000	-.8%
'05 Budgeted	\$238,970,500	-1.1%

A major highway project is statutorily defined as a project that involves reconstructing or reconditioning a new highway when total project costs exceed \$5 million and other criteria are met. The Major Highway Program has three sources of funding: State, Federal and Revenue Bond. Bond revenues will fund 57% of program costs over the biennium.

Funding for Major Highway Program

Wisconsin Act 33 provides a decrease of \$1,951,000 (-\$53,563,400 SEG, \$45,584,100 FED, \$6,028,300 SEG-S) in FY 04 and a decrease of -\$2,680,500 (-\$30,372,300 SEG, \$21,026,500 FED, \$6,665,300 SEG-S) in FY 05 for a decrease from base of -.8% in FY 04 and -1.1% in FY 05, respectively for the Major Highway Program.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
-\$53,563,400 SEG	-\$30,372,300 SEG
\$45,584,100 FED	\$21,026,500 FED
\$6,028,300 SEG-S	\$6,665,300 SEG - S

Enumeration of Additional Highway Projects

The following major highway projects were enumerated:

- USH 14 from approximately 2 miles west of Westby to 1.5 miles south of Viroqua in Vernon County;
- USH 18 from Main Street in the city of Prairie du Chien to STH 60 in the town of Bridgeport in Crawford County;
- USH 41 from .5 miles south of STH 26 to .5 miles north of Breezewood Lane in the city of Neenah in Winnebago County; and
- USH 41 from Orange Lane in the town of Lawrence, one mile south of CTH "F" to CTH "M" in Brown County.

Bonding Statutory Language

An increase of \$342,516,400 in the authorized level of revenue bonds established under s.84.59 (from \$1,753,067,500 to \$2,095,583,900) to reflect upcoming bonding needs consistent with the level of funding for major projects included in the budget.

State Highway Rehabilitation Base Budget

The State Highway Rehabilitation (SHR) Program upgrades deteriorated pavement and roadway base, and modernizes State Trunk Highways to meet current and projected travel needs. The program consists of three

subprograms: 1) Existing Highways (3-R: Resurfacing, Reconditioning and Reconstruction); 2) State Bridges; and 3) Backbone Rehabilitation. The State Trunk Highway System consists of 11,800 miles of roads and 4,877 bridges. Although this represents only 11% of the total of 112,700 miles of public roads and streets in Wisconsin, the State Trunk Highway System carries 60% of all traffic.

2003 Wisconsin Act 33		
'03 Base	\$558,025,100	
'04 Budgeted	\$542,708,700	-2.7%
'05 Budgeted	\$558,025,100	-.2%

The program is intended to protect the state's investment in its highway and bridge systems by addressing structural and design deficiencies at the most optimum point to assure a cost-effective use of transportation funds and the longest life of the facility. Repair costs and accident rates increase substantially toward the end of a facility's design life. A carefully planned rehabilitation program maximizes the use of a highway or bridge and addresses deficiencies before conditions necessitate much more costly solutions. Rehabilitation improves highways and bridges to appropriate modern standards, ensuring their design accommodates current and projected traffic patterns of the life span of the facility. The State Highway Rehabilitation Program has three sources of funding: State, Federal, and Local.

The State Highway Rehabilitation process is embodied in the state's Six-Year Highway Improvement Program, which is re-examined and updated every two years to reflect funding and priorities established in the state biennial budget. Inflationary adjustments in this and future biennia are necessary to keep the SHR Program whole so that purchasing power is not eroded and projects can be completed as scheduled in the Six-Year Highway Improvement Program. If purchasing power is not maintained, highway users will not only have to travel over a larger number of rough roads, they will also have to wait longer for the safety benefits that improved highways can provide.

Funding for State Highway Rehabilitation

Wisconsin Act 33 provides a decrease of \$15,316,400 (-\$242,198,000 SEG, - \$27,018,400 FED, \$253,900,000 Transportation Fund - GO Bonds) in FY 04 and a decrease of \$1,363,800 (- \$214,301,500 SEG, -\$17,062,300 FED, \$230,000,000 Transportation Fund - GO Bonds) in FY 05 for a decrease from base of -2.7% in FY 04 and -.2% in FY 05, respectively for the State Highway Rehabilitation Program.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
-\$242,198,000 SEG	-\$214,301,500 SEG
-\$27,018,400 FED	-\$17,062,300 FED
\$253,900,000 Transportation Fund - GO Bonds	\$230,000,000 Transportation Fund - GO Bonds

State Highway Maintenance and Traffic Operations

State Trunk Highway (STH) maintenance and traffic operations services encompass numerous activities that are important to the safety and convenience of the traveling public. These services include snowplowing, distributing salt and other deicers on roads and bridges, inspecting bridges, ensuring that rest areas and waysides are clean and well maintained, replacing signs and reflectors, installing traffic signals, repainting highway center lines and edge lines, and paying the electrical bills for freeway lighting. Wisconsin's STH System is maintained under contract primarily by its 72 counties. The State Highway Maintenance and Traffic Operations Program has three sources of funding: State, Federal, and Local.

2003 Wisconsin Act 33		
'03 Base:	\$163,575,000	
'04 Budgeted	\$167,058,400	2.1%
'05 Budgeted	\$167,145,500	.1%

2001 Wisconsin Act 16 provided one-time funding in the 2001-03 biennium for newly mandated maintenance and traffic operations activities that include: pavement marking, traffic signal maintenance, traffic signs and supports, lighting, and traffic management systems such as service patrols and ramp meters. However, these activities are ongoing in nature and require permanent funding if basic maintenance and operational activities on the STH System are to be met. In November 2002, an approved s.13.10 request provided an additional \$10 million for these types of activities.

2003 Wisconsin Act 33 provides no increase for system growth and eliminates \$7.4 million from the s.13.10 increase. In addition, it changed the appropriation from biennial to continuing.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$2,600,000 SEG	\$2,600,000 SEG

State Trunk Highway Maintenance and Traffic Operations Inflation

2003 Wisconsin Act 33 provides no inflationary increases.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$ -0-	\$ -0-

Expenditures: Local Aids and Assistance Programs

General Transportation Aids

General Transportation Aids (GTA) reimburse a portion of local governments' costs for such activities as road and street construction and maintenance, snow removal, grading shoulders, marking pavement, and repair of curbs and gutters.

2003 Wisconsin Act 33		
'03 Base:	\$366,156,200 SEG	
'04 Budgeted	\$373,335,700 SEG	1.9%
'05 Budgeted	\$373,335,700 SEG	0%

General Transportation Aids Inflation

Aids are based on a calendar year (CY) basis. The budget fully funds CY 03 aids payments and freezes funding levels for CY 04 and CY 05. The CY 04 and CY 05 amounts are \$90,044,600 for counties and \$283,291,100 for municipalities. The rate per mile was also frozen at the CY 03 level of \$1,825.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$7,179,500 SEG	\$7,179,500 SEG

Local Roads Improvement Program (LRIP)

The Local Road Improvement Program (LRIP) addresses long-lasting infrastructure improvements to local roads and streets. Funding is divided between funding for high cost county and town road projects and statutory formula distributions to counties, towns, and municipalities.

2003 Wisconsin Act 33		
'03 Base:	\$23,945,300 SEG	
'04 Budgeted	\$22,669,800 SEG	-5.4%
'05 Budgeted	\$22,669,800 SEG	0%

The budget reduces base funding for the LRIP Program by \$2,551,000 over the biennium or \$1,275,500 per year. This base funding reduction was tied to the amount of the unfunded earmark from the LRIP Program for the city of Milwaukee for the West Canal Street project in Act 16. The reduction in base funding is to be applied to the entitlement portion of the LRIP Program.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
-\$1,275,500 SEG	-\$1,275,500 SEG
-\$1,275,500 SEG-L	-\$1,275,500 SEG-L

Elderly and Disabled Transit Aids

The Department administers two programs to assist elderly and disabled (E & D) residents meet their mobility needs: an aid program that provides assistance to counties based on their eligible population, and a capital grant program that assists non-profit organizations and local governments in purchasing vehicles. The Elderly and Disabled Transit Aids Program receives \$1,500,000 annually in federal funding.

2003 Wisconsin Act 33		
'03 Base:	\$10,347,000	Change
'04 Budgeted	\$10,568,200	2.1%
'05 Budgeted	\$10,794,900	2.1%

Elderly and Disabled Aids Inflation

The budget provides increases of \$221,200 SEG in FY 04 and \$447,900 SEG in FY 05 to provide annual inflationary increases of 2.5% in each year, based on combined program amounts.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$221,200 SEG	\$447,900 SEG

While the county aids program does not receive any federal funding, the capital grant program does receive federal funding. Therefore, the Department recommends the full amount of the increase in state funds be used for the county aids program. Effectively, this would provide increases of 2.8% in both FY 04 and FY 05 for the county aids program.

Urban Mass Transit Operating Assistance

State transit aid is the largest source of funding for the operating costs of Wisconsin's public transit systems. Any local government may apply for aid for a service area containing a city or village with a population of at least 2,500. State aid recipients include approximately 29 local bus systems and 40 shared-ride taxi systems.

2003 Wisconsin Act 33		
'03 Base:	\$97,210,500 SEG	
'04 Budgeted	\$98,661,400 SEG	1.5%
'05 Budgeted	\$98,661,400 SEG	0%

State transit operating assistance is provided on a calendar year (CY) basis in four separate tiers based on population. The budget fully funds CY 03 operating assistance payments and freezes funding levels for CY 04 and CY 05. Within this overall level, funding was shifted from Tier C to Tier B to reflect changes in the composition of the tiers due to population changes in the 2000 federal census. Funding for CY 04 and CY 05 is \$56,811,800 for Tier A-1, \$15,166,900 for Tier A-2, \$21,757,600 for Tier B, and \$4,925,100 for Tier C.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$1,450,900 SEG	\$1,450,900 SEG

Commuter Rail Transit System Development

As mobility needs in the state increase, so do the demands for alternative modes of transportation, especially in urban areas. In recognition of this, the Department believes that it is appropriate for the state to support commuter rail transit projects that have strong local support, are in the transportation interests of the state, and meet certain criteria. Therefore, the Department has developed a policy on funding commuter rail transit system development capital costs, including preliminary engineering, property acquisition, equipment acquisition, and infrastructure construction. This policy includes a state funding of up to half of the non-federal share of costs limited to 25% of total project costs.

The budget establishes a biennial appropriation and provides \$400,000 SEG in FY 04 to provide one-half of the non-federal share for funding of preliminary engineering for the Kenosha-Racine-Milwaukee

(KRM) Commuter Rail Transit System. The Southeastern Wisconsin Regional Planning Commission has estimated that preliminary engineering will cost \$4 million. The KRM has received federal transit funding for this project, which requires a 20% non-federal match. Total project funding would be \$3,200,000 federal, \$400,000 SEG, and \$400,000 local.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$400,000 SEG	\$-0-

Rail Assistance

Freight Rail Infrastructure Loans

The Freight Railroad Infrastructure Improvement Loan Program offers low or no interest loans for railroads, shippers and local governments for a variety of capital improvement projects, including track

rehabilitation, track consolidation, intermodal facilities, and industrial spurs. The proceeds from repaid loans are available for reinvestment in the program as a revolving fund.

The budget removes all SEG funding from the program, resulting in program funding from the revolving loan pool only and increases budget authority in the revolving loan fund by \$500,000 in FY 05.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
-\$2,079,800 SEG	-\$2,079,800 SEG
\$ -0-	\$500,000 SEG-L

Freight Rail Preservation Program

The Freight Rail Preservation Program helps continue freight rail service by assisting in the public acquisition and rehabilitation of rail lines and by acquiring abandoned railroad corridors that have the potential for future transportation or recreational uses. The budget provides \$4.5 million in additional bonding authority for these purposes.

Passenger Rail

Amtrak Hiawatha Service

The budget provides increases of \$220,000 SEG and \$880,000 SEG-F in FY 04 and \$348,000 SEG and \$1,392,000 SEG-F in FY 05 to reflect the estimated costs of a new contract with Amtrak to continue the Hiawatha Rail Passenger Service between Milwaukee and Chicago.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$220,000 SEG	\$348,000 SEG
\$880,0000 SEG-F	\$1,392,000 SEG-F

The Department, in cooperation with the Illinois DOT, is in the final year of a three-year contract with Amtrak to provide rail passenger service. A new three-year contract is being negotiated. Due to its current financial situation, Amtrak has stated that it will require states to pay a larger part of the operating loss for rail passenger services. The amounts requested reflect current estimates.

Harbor Assistance

The Harbor Assistance Program provides financial assistance to harbor communities for dock surfacing and reinforcing, repairing or replacing mooring structures, and other improvements that maintain or improve waterborne commerce. The budget provides \$3 million in additional general obligation bonding and \$1.2 million in state funds to continue the program at the same funding level as the past two biennia.

State Infrastructure Bank Investment Earnings

The National Highway System Designation Act of 1995 established the State Infrastructure Bank (SIB) Pilot Program. SIBs act as a bank to provide funds for surface transportation projects. As project loans are repaid, more funds become available for additional projects. 1997 Wisconsin Act 27 created the transportation infrastructure loan and fund program in response to the federal legislation. The program combines federal and state funds to leverage other resources and encourage new investment in transportation infrastructure. Low interest loans are provided to municipal governments and other

eligible recipients to improve the safety, efficiency and/or promote the economic development of Wisconsin communities. As loans are repaid, the SIB acts as a revolving loan program by providing funds to other transportation improvement projects.

Federal law, Public Law 104-59, requires all interest earned on SIB funds must stay within the SIB and be available to make additional loans. Therefore, the interest earnings on the cash balance should be credited to an existing appropriation within the fund. By crediting the interest earnings to the local appropriation, the interest earnings would then automatically be combined with repayments from existing loans to provide funds for additional loans through the SIB for needed improvements to the transportation system.

2003 Wisconsin Act 33 increases spending authority in the state appropriation for the program based on an estimate of the interest earnings available.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$176,000 SEG	\$5,000 SEG

Division of Transportation Infrastructure Development

Base Budget Reduction

The budget permanently reduces DOT's budget by \$15 million each year and eliminates 302.5 FTE positions over the biennium. DTID's share includes base reductions of \$2,681,000 in FY 04 and FY 05 as well as 28.0 FTE by the end of FY 05. Position reductions include 28.0 FTE current vacancies in FY 04. Other budget reductions include eliminating the SEG-funded portion of the Freight Rail Infrastructure Improvement Program (FRIIP) and reducing the out-of-state travel budget by 50%.

2003 Wisconsin Act 33			
	FY 2003-04	FY 2004-05	FTE
Salary	-\$562,600 SEG	-\$562,600 SEG	-28.0
Non-salary	-\$2,118,400 SEG	-\$2,118,400 SEG	
Total	-\$2,681,000 SEG	-\$2,681,000 SEG	

Division of Transportation Investment Management

Base Budget Reduction

The budget permanently reduces DOT's budget by \$15 million each year and eliminates 302.5 FTE positions over the biennium. DTIM's share includes base reductions of \$158,900 in FY 04 and \$181,500 in FY 05 as well as 11.0 FTE by the end of FY 05. Position reductions include 10.0 FTE current vacancies in FY 04 and 1.0 FTE in FY 05. Other budget reductions include reducing the out-of-state travel budget by 50%.

2003 Wisconsin Act 33			
	FY 2003-04	FY 2004-05	FTE
Salary	-\$134,800 SEG	-\$157,400 SEG	-11.0
Non-salary	-\$24,100 SEG	-\$24,100 SEG	
Total	-\$158,900 SEG	-\$181,500 SEG	

Division of Transportation Districts

Base Budget Reduction

The budget permanently reduces DOT's budget by \$15 million each year and eliminates 302.5 FTE positions over the biennium. DTD's share includes base reductions of \$7,021,400 in FY 04 and \$7,981,400 in FY 05 as well as 108.0

FTE by the end of FY 05. Position reductions include 54.0 FTE current vacancies in FY 04 and by eliminating an additional 54.0 FTE in FY 05. Other budget reductions include reductions in the highway program consultant budget, reductions in the Division's LTE budget, and reducing out of state travel by 50 percent.

2003 Wisconsin Act 33			
	FY 2003-04	FY 2004-05	FTE
Salary	-\$1,006,200 SEG	-\$1,334,400 SEG	-108.0
Non-salary	-\$6,015,200 SEG	-\$6,647,000 SEG	
Total	-\$7,021,400 SEG	-\$7,981,400 SEG	

Service Divisions

Division of Motor Vehicles

The Division of Motor Vehicles (DMV) administers the regulation of motor vehicle sales and the registration and licensing of vehicles and operators. DMV provides a high level of customer service at locations throughout the state. 2003 Wisconsin Act 33 includes the following initiatives:

Inspection Maintenance Program

The Department received \$2,566,900 SEG-F in FY 04 in Congestion Mitigation Air Quality (CMAQ) funding and \$6,321,700 SEG in FY 05 to fully fund and support the vehicle emissions Inspection Maintenance (I/M) Program in Wisconsin. Beginning in FY 05, the I/M Program is funded with \$7,881,700 SEG from the Transportation Fund and \$6,321,700 from the petroleum inspection fund which is transferred into the Transportation Fund and results in increased spending authority for the state I/M Program.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$2,566,900 SEG-F	\$6,321,700 SEG

The I/M Program is operated under a contract with Envirotech Wisconsin, Inc. Program costs will increase over the next biennium due to various equipment and facility upgrades needed at the testing stations, increased salary and health care costs for Envirotech employees, operational inflation, and annual increases in test volume.

Match Funds for MCSIA of 1999

The Department received \$201,200 SEG in FY 05 to provide state matching funds for a federal grant to implement provisions of the federal Motor Carrier Safety Improvement Act of 1999, referred to as MCSIA.

This one-time funding will allow DMV to capture \$804,600 in federal grant funds in the 2003-05 biennium to implement the provisions of MCSIA. Statutory modifications were enacted to implement the various MCSIA provisions by September 30, 2005.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$-0-	\$201,200 SEG

Commercial Driver License - Hazardous Materials Endorsement

The Department received statutory authority to implement modifications required for issuance and renewal of a commercial driver license endorsement to operate a commercial vehicle carrying hazardous materials. These provisions are necessitated by passage of the federal USA PATRIOT ACT of 2001 and must be implemented by November 3, 2003.

Convenience Fee - Internet and Telephone

The Department received statutory authority to establish a convenience fee for Internet-based oversize/overweight permit applications whereby payment is made by credit card and to establish a convenience fee to utilize the telephone process to obtain the permit. The actual convenience fee will be established by Administrative Rule and shall approximate the administrative costs of issuing the permit and receiving payment. The Department also received a definition change for program revenue appropriation s. 20.395(5)(cg) Wis. Stats., to enable the Department to receive fee revenues and pay vendor processing charges for all DMV products.

Base Budget Reduction

The budget permanently reduces DOT's budget by \$15 million each year and eliminates 302.5 FTE positions over the biennium. DMV's share includes total base reductions of \$1,965,500 SEG in FY 04 and \$1,464,700 SEG in FY 05, and 70.5 positions by the end of FY 05. In FY 04, 20.0 FTE will be eliminated, with an additional position reduction of 50.5 FTE occurring in FY 05. Other program reductions include; reducing the number of DMV recruit classes, delay license plate re-issuance, reduce the LTE budget, and reduce out-of-state travel.

2003 Wisconsin Act 33			
	FY 2003-04	FY 2004-05	FTE
Salary	-\$490,600 SEG	-\$828,700 SEG	-70.5
Non-salary	-\$1,474,900 SEG	-\$636,000 SEG	
Total	-\$1,965,500 SEG	-\$1,464,700 SEG	

Division of State Patrol

The Division of State Patrol (DSP) is responsible for enforcing Wisconsin's traffic and motor carrier laws, assisting motorists, and inspecting commercial motor vehicles for safety. 2003 Wisconsin Act 33 includes the following initiatives:

Chemical Testing Program Increase

The budget provides \$56,600 in FY 04 and FY 05 for increased program costs in DSP's Chemical Testing Section. The funding covers increased costs for LTE salaries, fringe, and travel costs associated with breath-testing device operator training, breath-testing device repairs, and blood draws in counties that require blood testing over breath testing.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$56,600 PR	\$56,600 PR

State Patrol Academy Funding Increase

The budget provides \$100,000 in both FY 04 and FY 05 in Appropriation 566 to cover certain maintenance costs associated with increased use of the DSP Academy. DSP allows other state, federal, and local agencies to use the academy for training purposes. These agencies pay tuition for the costs associated with these programs. Tuition revenues fund certain maintenance needs at the facility.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$100,000 PR	\$100,000 PR

Transfer of Positions to DSP Dispatch Centers

The budget transfers 4.0 SEG positions and \$173,000 SEG annually from the appropriation for state highway rehabilitation to DSP's SEG appropriation and reclassifies the positions as police communication officers (State Patrol dispatchers). The Department reallocated 4.0 vacant positions from the Divisions of Transportation Districts and Transportation Infrastructure Development in the fall of 2001 to meet increased workload in the dispatch centers, although the positions are still funded by those divisions. This item would formally transfer the positions and also transfer the funding to support the positions from the appropriation for state highway rehabilitation.

Base Budget Reduction

The budget permanently reduces DOT's budget by \$15 million each year and eliminates 302.5 FTE positions over the biennium. DSP's share includes base reductions of \$1,933,800 in FY 04 and \$1,183,000 in FY 05, and 54.0 positions by the end of FY 05. Of these, 16.5 FTE are eliminated in FY 04. Other budget reductions include eliminating one cadet recruit class, eliminating the aerial enforcement program, and reducing out-of-state travel by 50%.

2003 Wisconsin Act 33			
	FY 2003-04	FY 2004-05	FTE
Salary	-\$620,800 SEG	-\$993,800 SEG	-54.0
Non-salary	-\$1,313,000 SEG	-\$190,200 SEG	
Total	-\$1,933,800 SEG	-\$1,183,000 SEG	

Division of Business Management

The Division of Business Management (DBM) provides centralized business services for the Department, including accounting, procurement, risk management, facilities management, information technology, and human resource services, as well as managing the fleet and printing service centers. 2003 Wisconsin Act 33 includes the following initiatives:

Information Technology Services

The budget provides 8.0 Full Time Equivalent (FTE) SEG-S positions in appropriation 465, the Department's data processing service center. These positions will be funded with resources currently used to contract with information technology (IT) staff for work better suited for permanent employees. This reallocation replaces IT contractors with program revenue funded-permanent positions. Creation of the positions will not require additional SEG budget authority.

2003 Wisconsin Act 33	
FY2003-04	FY2004-05
-\$105,600 SEG	-\$225,000 SEG

The budget also reduces base budgets in appropriations 369, 461, 563, and 564 by total of \$105,600 in FY 04 and \$225,000 in FY 05.

Internet Position

The budget reallocates 1.0 FTE permanent position to Appropriation 461 from Appropriation 961 (.25 FTE), Appropriation 564 (.50 FTE), and Appropriation 563 (.25 FTE). This position will be assigned to the Division of Business Management to meet a department-wide need for improved Internet services. However, the budget does not provide additional funding for this position.

2003 Wisconsin Act 33	
FY2003-04	FY2004-05
\$-0-	\$-0-

Postage Service Center

The budget provides authority to move the department-wide postage activity into appropriation 467, an existing "service center" appropriation, and increases spending authority by \$4,564,200 SEG-S in FY 04 and \$4,472,400 SEG-S in FY 05 for this activity. This will resolve a technical accounting problem within DMV's operating budget appropriation. Postage will be charged to the appropriate division as used throughout the year.

2003 Wisconsin Act 33	
FY2003-04	FY2004-05
\$4,564,200 SEG-S	\$4,472,400 SEG-S

Building Projects

The budget includes the Building Commission's recommendation to bond for the construction of seven new State Patrol public communications towers statewide. The towers are part of the division's plan to fill radio signal gaps in certain areas of the state. Also included is facility maintenance and repair for all agencies.

2003 Wisconsin Act 33
2003-05 Biennium
\$4,428,800 GO Bond

The budget also includes the Building Commission's recommendation to remodel the Hill Farms State Transportation Building (HFSTB). The DOA project includes updating the heating-venting-air conditioning system and renovating and remodeling each floor, and will be carried out in two phases.

Base Budget Reduction

The budget permanently reduces DOT's budget by \$15 million each year and eliminates 302.5 FTE positions over the biennium. DBM's share includes base reductions of \$1,162,900 in FY 04 and \$1,390,100 in FY 05, and 25.0 positions by the end of FY 05. Position reductions include 14 current staff vacancies in FY 04 and 11 positions in FY 05. Other budget reductions include eliminating space renovation base budgets, cutting LTE budget by 50%, and reducing out-of-state travel by 50%.

2003 Wisconsin Act 33			
	FY 2003-04	FY 2004-05	FTE
Salary	-\$315,700 SEG	-\$542,900 SEG	-25.0
Non-salary	-\$847,200 SEG	-\$847,200 SEG	
Total	-\$1,162,900 SEG	-\$1,390,100 SEG	

Executive Offices

The Executive Office oversees departmental operations, policies and position management. It includes the Office of the Secretary, which provides overall direction to all DOT programs; the Office of General Counsel, which provides departmental legal services; the Office of Policy and Budget, responsible for fiscal budgets and policy analysis; and the Office of Public Affairs, which provides information about DOT to internal and external audiences. 2003 Wisconsin Act 33 includes the following initiatives:

Attorney Position Funding Transfer

The budget transfers 1.0 SEG attorney position and \$110,000 SEG annually from the appropriation for state highway rehabilitation to the appropriation for departmental management and operations to make the funding of this position consistent with other departmental attorney positions.

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$110,000 SEG	\$110,000 SEG

This position was created in 2001-02 to work on legal issues associated with the highway program and is currently funded with highway program funds. This transfers the position and funding for the position to the appropriation for departmental management and operations.

Attorney Position Reductions

The budget bill directs the Secretary of DOA to delete 31.0 FTE executive branch positions, other than positions at the Department of Employee Trust Funds and the State of Wisconsin Investment Board,

2003 Wisconsin Act 33	
FY 2003-04	FY 2004-05
\$-0-	\$-0-

that are vacant on January 2, 2004, and lapse the associated budgeted non-FED salary and fringe benefits amounts to the general fund in 2003-04 and 2004-05.

Attorney positions will be among the first positions that the Secretary of DOA will examine when implementing the 31.0 FTE position reduction but all vacant positions will be considered for this exercise so as not to unnecessarily eliminate filled attorney positions.

Base Budget Reduction

The budget permanently reduces DOT's budget by \$15 million each year and eliminates 302.5 FTE positions over the biennium. The Executive Office's share includes base reductions of \$76,000 in FY 04 and \$117,300 in FY

2003 Wisconsin Act 33			
	FY 2003-04	FY 2004-05	FTE
Salary	-\$45,000 SEG	-\$85,800 SEG	-4.0
Non-salary	-\$31,500 SEG	-\$31,500 SEG	
Total	-\$76,000 SEG	-\$117,300 SEG	

05, and 4.0 positions by the end of FY 05. A vacant position in the Secretary's Office will be eliminated in FY 04. Three other positions from the Executive Offices will be eliminated in FY 05.

Department-wide Initiatives

Transfers to the General Fund

2003 Wisconsin Act 33 includes three large transfers from the Transportation Fund to the General Fund to support the Shared Revenue, School Aids and other programs. The transfers will total \$675.3 million over the biennium.

Shared Revenue

The budget transfers \$230 million SEG in FY 04 and \$170 million SEG in FY 05 from the Transportation Fund to the General Fund for the purpose of supporting the state's Shared Revenue Program. This program provides approximately \$1 billion in aid to local governments annually. These transfers out of the Transportation Fund will be backfilled by additional revenue from bonding.

Miscellaneous Transfers

As part of the Governor's veto package, an additional \$145 million is transferred from the Transportation Fund to the General Fund during the biennium. This transfer combined with the \$30 million transfer originally provided in the bill, results in a total miscellaneous transfer of \$175 million for the biennium. The transfer is necessary in part to help increase funding for education, preserve eligibility and benefits for state health care programs, reduce the structural deficit and provide for a rainy day fund in the General Fund.

School Aids

The budget creates a new school equalization aid supplemental appropriation to be funded with revenue from the Transportation Fund. The Transportation Fund will provide \$40 million SEG in FY 04 and \$60 million SEG in FY 05. School districts spend over \$300 million annually on pupil transportation. The transfer is not backfilled with bond revenues.

Summary of General Fund Transfers			
	FY 2003-04	FY 2004-05	Biennial Total
Shared Revenue	\$230,000,000	\$170,000,000	\$400,000,000
General Fund Miscellaneous Transfer*	\$100,135,000	\$75,135,000	\$175,270,000
Schools Aids	\$40,000,000	\$60,000,000	\$100,000,000
TOTAL	\$370,135,000	\$305,135,000	\$675,270,000

*Includes 5th Week Vacation Budget Reduction.

State Agency IT Projects Lapse

The budget lapses \$40 million over the biennium from state agency IT appropriations to the General Fund. The lapse includes DOT appropriations that pay the Department of Administration (DOA) for IT services. The Department of Electronic Government will be absorbed into DOA.